

Senate Bill 358

By: Senators Rhett of the 33rd, Kennedy of the 18th, Ligon, Jr. of the 3rd, Mullis of the 53rd and Jones II of the 22nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 60 of Title 36 and Code Section 45-8-14 of the Official Code of Georgia
2 Annotated, relating to general provisions relative to provisions applicable to counties and
3 municipal corporations and depositories for county and school district moneys, respectively,
4 so as to provide for the establishment of banking improvement zones to encourage opening
5 of financial institutions in areas underserved by financial institutions; to provide for
6 definitions; to provide for application and standards of approval for a banking improvement
7 zone; to provide for the establishment of an agreement for the deposit of public funds in
8 financial institutions within a banking improvement zone; to provide for related matters; to
9 repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Chapter 60 of Title 36 of the Official Code of Georgia Annotated, relating to general
13 provisions relative to provisions applicable to counties and municipal corporations, is
14 amended by adding a new Code section to read as follows:

15 "36-60-27.

16 (a) As used in this Code section, the term:

17 (1) 'Department' means the Department of Community Affairs.

18 (2) 'Financial institution' means a bank or other organization held out to the public as a
19 place of deposit of funds or medium of savings or collective investment which is
20 compliant with the applicable requirements set forth in Title 7.

21 (3) 'Local government' means any county or municipality of this state.

22 (b) Upon submission of an application by a local government, the department may
23 designate a banking improvement zone within the jurisdiction of such local government for
24 the purpose of encouraging the establishment of branches or representative offices within
25 an area which is underserved by banking services through financial institutions.
26 Application to establish a banking improvement zone shall be made to the department in

27 such form as shall be prescribed by the department. The department may exercise its
 28 discretion in its consideration to approve a local government as eligible for a banking
 29 improvement zone; provided, however, that such decision takes into consideration:

30 (1) The location, number, and proximity of sites where banking services are available in
 31 the proposed banking improvement zone;

32 (2) Consumer needs for banking services in the proposed banking improvement zone;

33 (3) The economic viability and local credit needs of the local government in the
 34 proposed banking improvement zone;

35 (4) The existing commercial development in the proposed banking improvement zone;
 36 and

37 (5) The impact additional banking services would have on potential economic
 38 development in the proposed banking improvement zone.

39 (c) Upon approval of a banking improvement zone, the governing body of a local
 40 government may, through ordinance or resolution, designate a financial institution to be
 41 located within a banking improvement zone as the depository for local government funds,
 42 provided that applicable standards for deposits of public funds set forth in Chapter 8 of
 43 Title 45 have been satisfied. Subject to agreement between the governing body of a local
 44 government and a financial institution, such ordinance or resolution shall designate a fixed
 45 interest rate that is at or below the posted two-year certificate of deposit rate at the financial
 46 institution."

47 **SECTION 2.**

48 Code Section 45-8-14 of the Official Code of Georgia Annotated, relating to depositories for
 49 county and school district moneys, is amended as follows:

50 "45-8-14.

51 Except as otherwise provided in Code Section 36-60-27, the governing authority of
 52 each county shall designate one or more solvent banks, insured federal savings and loan
 53 associations, or insured state chartered building and loan associations as depositories of all
 54 county moneys. The board of education of each county school district and of each
 55 independent school district shall designate one or more solvent banks, insured federal
 56 savings and loan associations, or insured state chartered building and loan associations as
 57 depositories of all school district moneys."

58 **SECTION 3.**

59 All laws and parts of laws in conflict with this Act are repealed.